

Senator Mary Lundby  
Senator Thomas Courtney  
Representative Dwayne Alons

Thank you for the opportunity to comment on the proposed Model Procurement Code and its application to political subdivisions. As you know, I represent the Iowa Association of Schools Boards which has as its members Iowa's public school districts, area education agencies (AEAs) and community colleges. It is on their behalf that I make the following comments.

Our first question is why we need a new procurement system for political subdivisions. To the best of our knowledge, this is not an area that has garnered much discussion over the years, so it appears to be a well functioning system. While state law addresses major purchases and the processes to be followed, such as construction or school buses, boards have board policies that address how smaller purchases are made. Most, if not all, local boards have a process where the superintendent or administrator has the authority to make small purchases, under \$5,000 for example. Then mid-range purchases, between \$5,000 and \$25,000, must be done by quotes. Larger purchases, over \$25,000, are then done by competitive bid even though the law doesn't require it. I've attached our IASB sample policy to this letter for your information. This policy is fairly standard across boards with minor variations on the amounts. Further, many school districts purchase equipment or goods from state contracts which are publicly bid. The Iowa Code requires that state contracts, which are publicly bid, be made available for use by other governmental entities, including school districts, AEAs and community colleges.

School districts, AEAs and community colleges all participate in the Iowa Educators Consortium (IEC) purchasing coop sponsored and managed by the AEAs. In FY '04, over \$33 million was purchased through the consortium bringing a savings of over \$6 million statewide. Over 300 schools regularly participate in the purchasing consortium. We've attached the FY '04 summary for your information. All current state laws regarding applicable bidding procedures are followed in determining vendors for the IEC. The effectiveness of the system is such that representatives from surrounding states have made inquiries as to using the IEC or assistance in creating their own.

Our concern with a new system is that it would break a current system that is working. The procedures involved in the new system would stymie purchasing in local districts. Especially those without a formal purchasing officer, which is the vast majority. It would require boards to formally bid purchases not currently required to be bid, even though many of the purchases would still be competitively bid based upon local board policy. By having the flexibility, the Burlington, Cedar Rapids and Garner-Hayfield boards can determine to what extent they need to competitively bid purchases. Buying computers in Burlington is significantly different than in Garner and even more different in Cedar Rapids. (All three, however, purchased technology last year through the IEC!)

The MPC would also require boards to bid services which are currently not required to be bid. Boards would have to bid services for which there may not even be competition. When boards hire consultants to assist them in the school improvement process, there are not the number of qualified applicants available to respond to a formal bid. Plus, most consultants and other professionals are not used to preparing bids so it would be a significant change for them and a significant additional cost to school corporations.

In conclusion, we prefer you not include school corporations when discussing whether to pursue adoption of the MPC. The system is functioning well and, currently, does not need a fix. Thank you for the opportunity to comment. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Mary T. Gannon  
Attorney  
Iowa Association of School Boards

# PROFILE OF SAVINGS

Iowa schools saved over \$6 million last year by purchasing school products and services through the Iowa Educators Consortium (IEC), a non-profit organization established by Iowa Area Education Agencies in 1999.

That's the goal of the IEC—to save schools money by combining the purchasing power of schools across the state. This goal is accomplished through aggressive pricing on materials, items, and services that schools use, need, and want.

In addition to great prices, the IEC saves school staff time by researching and providing the best products at the best prices. Advisory committees work with vendors and manufacturers to determine the best product/cost value for our members. The IEC is funded by small client-user fees, grants and the general budget of Iowa's Area Education Agencies. Since overhead is low, only five staff members maintain the IEC daily operations and the savings are passed on to Iowa schools.

323 schools are currently participating in the IEC. The number continues to grow annually as more and more schools realize the potential savings.

## Statewide Savings

Program	Amount Purchased	Approximate Savings*
Arts and Crafts	\$615,193	\$201,160
AV & Computers	\$3,922,00	\$966,540
Building & Grounds	\$201,000	\$42,000
Food	\$20,056,100	\$3,008,415**
Furniture	\$153,000	\$36,510
Health & First Aid	\$125,000	\$21,875
Janitorial Supplies	\$510,000	\$188,620
Media & Tech	\$4,181,000	\$1,527,000
Office Supplies	\$2,156,132	\$402,595
Paper	\$1,300,000	\$266,190
<b>Totals</b>	<b>\$33,228,425</b>	<b>\$6,660,905</b>

\*Approximate savings

\*\*Rebated \$125,000.00

## Iowa Educators Consortium is about more than money








An obvious benefit of the IEC is **saving** money, but many other benefits exist of equal or greater **value**.





- IEC **serves** Iowa schools by saving them valuable staff **time** and **effort**.
- IEC **researches** products, forms vendor/producer **partnerships** and then **facilitates** and **coordinates** the statewide purchases.
- Through **collaboration** and **cooperation** between the AEAs, school districts, vendors and producers, IEC develops a **synergy** that cannot be attained through individual efforts.
- IEC helps both large and small school districts acquire **quality** products and training at an **equitable** price.



## Savings opportunities

Below are the various cooperative purchasing opportunities available through the IEC. Take a look and consider getting involved! For even more information, check out the IEC Web site at <http://www.iec-ia.org>.

	<b>• Arts &amp; Crafts:</b> The IEC offers a complete line of arts and crafts products and supplies (including clay and glazes) at discounted prices, plus no delivery fees and no minimum order. <i>Approximate savings 25 percent.</i>
	<b>• AV &amp; Computers:</b> This cooperative program offers over 1,000 items at great IEC prices. <i>Approximate savings 30 percent.</i>
	<b>• Building and Grounds:</b> From portable classrooms and modular buildings, complete roof replacement and investigative services, including infrared testing and asbestos testing, this cooperative program will save you bidding time and money. Williams Scotsman and Tremco Incorporated/Weatherproofing Technologies are the companies that have teamed up with the IEC to offer these services.
	<b>• Food:</b> The IEC has contracted with Martin Brothers Distributing Company, Cedar Falls, Iowa, to provide over 12,000 products and top brands. Your school receives direct sales and delivery, guaranteed pricing and three full-time dieticians to support your food service program. <i>Average savings 15 percent.</i>
	<b>• Furniture:</b> Bretford and Virco are ready to help with all your school furniture needs as well as space planning and installation.
	<b>• Health &amp; First Aid:</b> School Health has teamed with the IEC to offer discounts on a complete line of health and first aid products and supplies. Another plus—no delivery fees or minimum order. <i>Approximate savings 10 percent.</i>
	<b>• Janitorial Supplies:</b> The IEC has contracted with Martin Brothers Distributing Company to offer a full line of janitorial supplies and equipment to meet your school needs. They also provide free demonstrations, consultations, and training to your maintenance staff. <i>Approximate savings 20 percent.</i>

	<b>• Media &amp; Technology:</b> Through the IEC schools can take advantage of statewide collaborative purchasing of media and technology resources. Products include assistive technology and special needs software, books and library supplies, curriculum software, multimedia and web, online resources, productivity and application software, training materials and utility software. <i>Approximate savings 50 percent.</i>
	<b>• Office Supplies:</b> Next day delivery, no minimum orders, convenient ordering (phone, fax or online) and over 13,000 items at discounted prices are just a few of the advantages to using Corporate Express for your school's office supply needs. <i>Approximate savings 20 percent.</i>
	<b>• Paper:</b> The IEC offers two purchasing opportunities per year for schools to order and save on all kinds of paper for printers, copiers and offset presses. Letter, legal and 11 x 17 paper is available in a variety of colors and weights. <i>Approximate savings 20 percent.</i>
	<b>• Athletics and PE:</b> This is a new area for the IEC this year which offer Atlas and Robert Cohen track and tennis court resurfacing. Sportime offers <i>an average savings of 15%</i> and free shipping on all catalog orders for PE equipment. Samson weightlifting equipment has an <i>approximate savings of 10%.</i>
<b>NEW</b>	<b>Digital Copiers:</b> The IEC wants to provide schools with innovative and reliable products. We have recently added Kyocera and Konica Minolta digital copiers to our long list of offerings and encourage you to check out the benefits and savings these companies have to offer.
<b>NEW</b>	<b>Carpeting:</b> Interface modular carpeting is easy to install, produces less waste, and has minimum maintenance. We also teamed up with Shaw Contract Group, they provide high-performance backing, environmentally responsible products, and meet the needs of today's educational facilities.

For more information on any of the programs listed above contact:

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<http://www.iec.ia.org>

## PURCHASING – BIDDING

The board supports economic development in Iowa. Purchases by the school district will be made in Iowa for Iowa goods and services from a locally-owned business located within the school district or from an Iowa-based company which offers these goods or services if the cost and other considerations are relatively equal and they meet the required specifications.

Prior to August 15 of each year and after analyzing the school district's anticipated procurement level for the current fiscal year, the school board will set a goal of ten percent of the anticipated procurement level to be purchased from certified targeted small businesses. In determining the procurement level, the cost of utilities (heat, electricity, telephone and natural gas) and employees' costs will not be included. After the goal has been established, the superintendent will file the required Targeted Small Business Procurement form with the Department of Education by August 15.

By July 31 of each year, the superintendent will file a report with the Department of Education outlining purchases of goods and services from targeted small businesses for the previous fiscal year.

The school board and superintendent will encourage targeted small businesses which are not certified with the Department of Inspections and Appeals to become certified targeted small businesses.

It is the responsibility of the superintendent to approve purchases, except those authorized by or requiring direct board action. The superintendent may coordinate and combine purchases with other governmental bodies to take advantage of volume price breaks. Joint purchases with other political subdivisions will be considered in the purchase of equipment, accessories or attachments with an estimated cost of \$50,000 or more.

The superintendent will have the authority to authorize purchases without competitive bids for goods and services costing under \$\_\_\_\_\_ without prior board approval. For goods and services costing more than \$\_\_\_\_\_ and less than \$25,000, the superintendent will receive quotes of the goods and services to be purchased prior to approval of the board. Competitive sealed bids are required for purchases, other than emergency purchases, for goods and services that cost \$25,000 or more, including construction contracts and school buses.

The purchase will be made from the lowest responsible bidder based upon total cost considerations including, but not limited to, the cost of the goods and services being purchased, availability of service and/or repair, delivery date, the targeted small business procurement goal and other factors deemed relevant by the board.

The board and the superintendent will have the right to reject any or all bids, or any part thereof, and to re-advertise. If it is determined that a targeted small business which bid on the project may be unable to perform the contract, the superintendent will notify the Department of Economic Development. The board will enter into such contract or contracts as the board deems in the best interests of the school district.

Approved \_\_\_\_\_

Reviewed \_\_\_\_\_

Revised \_\_\_\_\_

## PURCHASING - BIDDING

***NOTE: This policy reflects current Iowa law on targeted small business procurement. The sixth paragraph contains two blanks. The amount entered in the blanks should be the same, \$5,000 for example. School boards have a great deal of discretion in the area of purchasing, except for construction projects greater than \$25,000 and buses which are the only two areas where boards have to utilize public, open competitive bidding procedures. For other purchases, school districts generally utilize a less formal purchasing procedure for projects below a certain dollar amount as reflected in the sixth paragraph. The amount established in the sixth paragraph should be consistent with those in Policies 802.2 and 803.2.***

Legal Reference: Iowa Code §§ 18.6(9); 23A; 28E.20; 72.3; 73; 73A; 285.10(3), .10(7); 301 (2005).  
261 I.A.C. 54.  
281 I.A.C. 43.25.  
481 I.A.C. 25.  
1984 Op. Att'y Gen. 115.  
1974 Op. Att'y Gen. 171.

Cross Reference: 705 Expenditures  
801.4 Site Acquisition  
802 Maintenance, Operation and Management  
803 Selling and Leasing